

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1243 Session of  
2008

INTRODUCED BY ERICKSON, RAFFERTY, FERLO, WASHINGTON, WONDERLING,  
EARLL, BOSCOLA, O'PAKE AND KITCHEN, JANUARY 14, 2008

REFERRED TO FINANCE, JANUARY 14, 2008

AN ACT

1 Amending the act of August 9, 1955 (P.L.323, No.130), entitled,  
2 as amended, "An act relating to counties of the first, third,  
3 fourth, fifth, sixth, seventh and eighth classes; amending,  
4 revising, consolidating and changing the laws relating  
5 thereto; relating to imposition of excise taxes by counties,  
6 including authorizing imposition of an excise tax on the  
7 rental of motor vehicles by counties of the first class; and  
8 providing for regional renaissance initiatives," further  
9 providing for authorization of vehicle rental tax by counties  
10 of the first class.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. Section 2398 of the act of August 9, 1955  
14 (P.L.323, No.130), known as The County Code, added June 25, 1999  
15 (P.L.182, No.25), is amended to read:

16 Section 2398. Authorization of Vehicle Rental Tax by  
17 Counties of the First Class.--(a) Notwithstanding any provision  
18 of this act or any law to the contrary, each county of the first  
19 class is hereby authorized to impose an excise tax on the rental  
20 of a rental vehicle in that county. If the county is coterminous  
21 with a city of the first class, imposition of the tax in that  
22 county, if any, shall be by that city. The tax may be imposed on

1 any person renting a rental vehicle at a rate of up to two per  
2 centum of the purchase price of the rental. For purposes of this  
3 section, the situs of the rental of the vehicle is the place  
4 where the renter takes possession of the rental vehicle.

5 (b) All of the proceeds of the vehicle rental tax shall be  
6 dedicated solely to the payment of the costs of capital  
7 projects, which costs may include, without limitation, lease  
8 payments or service agreements with authorities for capital  
9 projects and debt service on bonds issued for capital projects.  
10 The Commonwealth does hereby pledge to and agree with any  
11 person, firm or corporation subscribing to or acquiring bonds  
12 issued by the county, city or an authority to finance a capital  
13 project for which the tax was dedicated that the Commonwealth  
14 itself will not repeal this authorization or reduce the rate of  
15 tax authorized under this section until all such bonds, together  
16 with the interest thereon, have been paid or provision for such  
17 payment shall have been made, nor shall a county or city of the  
18 first class imposing such tax and dedicating such tax as  
19 provided in this section be permitted to repeal such tax or to  
20 reduce the rate of such tax or to revoke such dedication until  
21 all of such bonds, together with interest thereon, shall have  
22 been paid or provision for such payment shall have been made.  
23 Payments by a county or a city of the first class under any  
24 lease or service agreement as hereinabove described shall not  
25 constitute debt of the Commonwealth or of a county or city of  
26 the first class.

27 (c) The vehicle rental tax shall be collected by each  
28 vehicle rental company in the county or city imposing the tax.  
29 The tax shall be collected at the time the rental vehicle is  
30 rented by that vehicle rental company and shall be remitted by

1 the vehicle rental company to the county or city that imposed  
2 the tax in accordance with rules and regulations established by  
3 the county or city or the tax collection agencies of that county  
4 or city for collection and remittance of the tax. Any person  
5 required to collect or pay over any tax authorized by this  
6 section and who fails to collect or pay over any such tax shall  
7 be liable for the full amount of such tax, including any  
8 interest or penalties which may be imposed by a county or city  
9 of the first class.

10 (d) The county or city and its tax collection agencies are  
11 authorized to promulgate and enforce rules and regulations not  
12 inconsistent with the provisions of this section relating to any  
13 matter or thing pertaining to the collection, administration and  
14 enforcement of the provisions of this section.

15 (d.1) This section shall not apply to nonprofit carsharing  
16 organizations or services.

17 (e) Definitions.--As used in this section, the following  
18 words and phrases shall have the meanings given to them in this  
19 subsection:

20 "Nonprofit carsharing organization." An organization or  
21 entity organized as a not-for-profit under the laws of this  
22 Commonwealth or laws of any other state, which provides an  
23 integrated network of neighborhood-based motor vehicles  
24 available only to members of the organization by reservation on  
25 an hourly basis, or in smaller intervals, and at variable rates  
26 as part of a mobility enhancement service.

27 "Rental vehicle" shall mean a private passenger motor vehicle  
28 designed to transport fifteen or fewer passengers or a truck,  
29 trailer or semitrailer used in the transportation of property  
30 other than commercial freight, that is rented without a driver,

1 is part of a fleet of five or more rental vehicles that are used  
2 for that purpose and owned or leased by the same person or  
3 entity and is rented for a period of twenty-nine or fewer  
4 consecutive days, excluding vehicles owned or leased by a  
5 nonprofit carsharing organization.

6 "Vehicle rental company" shall mean any business entity  
7 engaged in the business of renting motor vehicles in this  
8 Commonwealth. The term does not include a nonprofit carsharing  
9 organization.

10 Section 2. This act shall take effect in 60 days.